

## Message Text

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PAGE 01 STATE 188394  
ORIGIN EB-08

INFO OCT-01 ISO-00 /009 R

DRAFTED BY EB/OA:JBMAGNOR:BD  
APPROVED BY EB:JLKATZ  
EB/OA:MHSTYLES  
EB/TCA:JWBILLER

-----071357 101530Z /45

R 101401Z AUG 77  
FM SECSTATE WASHDC  
TO HONORABLE HUGH CAREY  
GOVERNOR OF NEW YORK  
ALBANY NEW YORK

UNCLAS STATE 188394

E.O. 11652: N/A

TAGS:

SUBJECT:

1. THE DEPARTMENT OF STATE WAS PLEASED TO LEARN OF THE  
PASSAGE OF LEGISLATION TO AMEND NEW YORK TAX LAW IN  
RELATION TO EXEMPTION FROM COMPENSATING USE TAXES FOR  
CERTAIN PROPERTY USED BY FOREIGN AIRLINES. THIS LEGISLA-  
TION IS NOW BEFORE YOU.

2. THE DEPARTMENT BELIEVES ENACTMENT OF THIS LEGISLATION  
WOULD PROVIDE AN APPROPRIATE AND WELCOME RESOLUTION TO  
A NUMBER OF DISPUTES WHICH HAVE ARISEN WITH FOREIGN  
COUNTRIES OVER THE TAX TREATMENT OF FOREIGN AIRLINES. AS  
YOU KNOW, THE FEDERAL GOVERNMENT EXEMPTS FOREIGN AIRLINES  
FROM IMPORT DUTIES AND TAXES ASSOCIATED WITH THEIR AIR  
TRANSPORT OPERATIONS IN ORDER TO OBTAIN EQUIVALENT BENEFITS  
FOR U.S. AIRLINES OPERATING ABROAD. THE ENACTMENT OF THE  
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LEGISLATION BEFORE YOU WILL ASSURE THAT THIS FEDERAL  
POLICY IS MATCHED AT THE STATE LEVEL. THE LEGISLATION WILL  
THEREFORE LESSEN THE LIKELIHOOD THAT FOREIGN GOVERNMENTS  
IMPOSE UNREASONABLE TAX AND TAX COMPLIANCE BURDENS ON U.S.  
AIRLINES OPERATING ABROAD. THIS IN TURN WILL FOSTER THE  
FINANCIAL HEALTH OF BOTH U.S. AND FOREIGN AIRLINES.

3. THE LEGISLATION APPEARS CONSISTENT WITH THE  
PRINCIPLE OF TAXATION BASED ON RECIPROCITY. WE HOPE IT  
WILL RECEIVE YOUR FAVORABLE CONSIDERATION. SIGNED  
JULIUS L. KATZ, ASSISTANT SECRETARY OF STATE FOR ECONOMIC  
AND BUSINESS AFFAIRS. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TAX LAW, PROVINCIAL GOVERNMENT, AMENDMENTS, ALIENS, AIRLINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 10-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE188394  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JBMAGNOR:BD  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770287-1285  
**Format:** TEL  
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**Handling Restrictions:** n/a  
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**Litigation History:**  
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**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1644566  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LEGISLATION TO AMEND TAX LAW  
**TAGS:** EAIR, EFIN, US  
**To:** CAREY HUGH GOVERNOR OF NEW YORK  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/a5b8305d-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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